

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Special Meeting

December 22, 1976
4:00 P.M.

Council Chambers
301 West Second Street

The meeting was called to order with Mayor Friedman presiding.

Roll Call:

Present: Mayor Friedman, Councilmembers Himmelblau, Hofmann,
Lebermann, Linn

Absent: Mayor Pro Tem Snell, Councilmember Trevino

Mayor Friedman stated that this was a called Special Meeting of the City Council for the purpose of hearing tax appeals.

Action Deferred on Tax Appeal

Mayor Friedman stated that action on the following tax appeal would be postponed until January 13, 1977. The hearing had been held and closed on December 21, 1976. The appellant did not appear to be heard. (Action later)

Property	1975 Appraised Value 100%	1976 Appraised Value 100%	1976 Rendered Value 75%	1976 Assessed Value 75%	1976 Value by Board of Equalization 75%
Land	\$ 9,910	\$10,570	Did Not	\$ 7,930	\$ 7,930
Imps.	<u>32,003</u>	<u>42,895</u>	Render	<u>25,170</u>	<u>25,170</u>
Total	\$41,913	\$53,465		*\$33,100	*\$33,100

Ownership and Description:

*Assessed value less \$7,000 Homestead
Exemption.

HOLLAND PAGE
(1st of 2 properties)

(continued)

(continued)

Parcel No. 1-4204-1005
 Lot 11, Block F,
 Northwest Hills
 Mesa Oaks Phase 4A

Address of Property:
 7602 Rockpoint Drive

	1975 Appraised Value 100%	1976 Appraised Value 100%	1976 Rendered Value] 75%	1976 Assessed Value 75%	1976 Value by Board of Equalization 75%
Land	\$59,193	\$ 70,237	Did Not	\$52,680	\$52,680
Imps.	<u>26,559</u>	<u>31,784</u>	Render	<u>23,840</u>	<u>23,840</u>
Total	\$85,752	\$102,021		\$76,520	\$76,520

Ownership and Description:

HOLLAND PAGE
 (2nd Property)

Parcel No. 2-3714-0804
 3.52 Acres James P.
 Wallace Survey

Address of Property:
 8305 Lamar

Tax Appeals Heard

The Council then publicly heard the following tax appeals:

	1975 Appraised Value 100%	1976 Appraised Value 100%	1976 Rendered Value 75%	1976 Assessed Value 75%	1976 Value by Board of Equalization 75%
Land	\$ 411,938	\$ 631,638	Did Not	\$ 473,730	\$ 473,730
Imps.	<u>1,243,059</u>	<u>1,888,137</u>	Render	<u>1,416,100</u>	<u>1,416,100</u>
Total	\$1,654,997	\$2,519,775		\$1,889,830	\$1,889,830

Ownership and Description:

GAGE WESTERN INVESTMENTS, INC.
 By Leslie Gage
 (1st of 4 properties)
 (continued)

(continued)

Parcel No. 2-3707-0242
 Lot B, Resub. of Tract 2
 North Village

Address of Property:
 2103 Anderson Lane

Property	1975 Appraised Value 100%	1976 Appraised Value 100%	1976 Rendered Value 75%	1976 Assessed Value 75%	1976 Value by Board of Equalization 75%
Land	\$19,600	\$24,500	Did Not	\$18,380	None
Imps.	<u>0</u>	<u>0</u>	Render	<u>0</u>	
Total	\$19,600	\$24,500		\$18,380	

Ownership and Description: 7

GAGE WESTERN INVESTMENTS, INC.
 By Leslie Gage
 (2nd Property)

Parcel No. 2-3707-0244
 Lot A, Resubdivision of
 Tract 2, North Village

Address of Property:
 Anderson Lane

Property	1975 Appraised Value 100%	1976 Appraised Value 100%	1976 Rendered Value 75%	1976 Assessed Value 75%	1976 Value by Board of Equalization 75%
Land	\$1,000	\$1,500	Did Not	\$1,130	None
Imps.	<u>0</u>	<u>0</u>		<u>0</u>	
Total	\$1,000	\$1,500		\$1,130	

Ownership and Description:

GAGE WESTERN INVESTMENTS, INC.
 By Leslie Gage
 (3rd property)

(continued)

(continued)

Parcel No. 2-3707-0231
S. 144 feet of Lot 3,
Harmony Missionary
Baptist Church Subdivision

Address of Property:
Off Anderson Lane

	1975 Appraised Value 100%	1976 Appraised Value 100%	1976 Rendered Value 75%	1976 Assessed Value 75%	1976 Value by Board of Equalization 75%
Land	\$11,305	\$13,189	Did Not	\$ 9,890	None
Imps.	<u>6,777</u>	<u>9,090</u>	Render	<u>6,820</u>	
Total	\$18,082	\$22,279		\$16,710	

Ownership and Description:

GAGE WESTERN INVESTMENT, INC.
By Leslie Gage
(4th property)

Parcel No. 2-3707-0229
North 143 feet of Lot 3,
Harmony Missionary
Baptist Church Subdivision

Address of Property:
Anderson Lane

Mr. Leslie Gage, representing Gage Western Investments, Inc., distributed and then read a statement to the Council. He objected to the land value placed on the North Village Center, which had been increased from 75¢ to \$1.15 per square foot. He enumerated the tax increases on several buildings in the North Village Center, and stated that there had been an overall increase of 29.53% on buildings in the Center. He compared the tax valuation of Gulf Mart at \$8.82 per square foot with his buildings extending from Kiddie City to Foodland. He was particularly concerned over the tax increase of 96% on a 14,950 square foot 2nd floor warehouse which had no heat, air conditioning, flooring, ceiling or paint. The valuation had increased from \$3.61 to \$7.09 per square foot. He then compared the first floor of the same buildings with the following shopping centers:

Cameron Village, rated M3
Reagan Square, rated M4
Allandale, rated M3+
Northwest Center, rated M3
Twin Oaks, rated M3

He then discussed other valuations in the Center and stated that those values were generally higher than comparables in the market. He stated that the valuation of his paving (asphalt) had increased by 66%. He could not pass the increases along to most of his tenants because he had negotiated flat rate leases with no tax increase escalation clause.

Mayor Friedman asked Mr. Klitgaard to clarify the meaning of the various classifications placed on the buildings Mr. Gage had referred to. Mr. Klitgaard explained that the gradings placed on store and warehouse buildings in the District ranged from 1 to 4+ with the following symbols denoting the type of construction: W - wood, M - masonry, S - structural steel, C - concrete. The grading placed on Mr. Gage's property was an S4+, which was two grades below the maximum classification placed on a store. Various modifiers effected the value of buildings.

Mr. Klitgaard stated that he did not agree that Mr. Gage's comparison of his property with Gulf Mart was realistic. Gulf Mart was an economically distressed property which had been vacant for a considerable period of time, and was less expensive structure than North Village. Some of the other comparisons were older centers which were constructed of masonry-bearing walls. Regarding Mr. Gage's questioning of the valuation placed on the 2nd floor warehouse space, Mr. Klitgaard stated that the warehouse could be considered separately or the grade on the store could be lowered. Either way it produced essentially the same value on the property. Concerning Mr. Gage's question on the value of paving, Mr. Klitgaard stated that all cost units which applied uniformly to all property had been increased this year, including asphalt areas. There were no provisions in the appraisal process which permitted depreciation or reduction of components or sections of a building. The entire property was assigned a life expectancy and depreciated as a whole.

Regarding the land, Mr. Klitgaard stated that it was somewhat cut up, but there was frontage on Anderson Lane as well as some limited frontage on Burnet Road. Property on Anderson Lane typically was valued at \$1.25 per square foot. The Board of Equalization felt that the \$1.15 valuation was well within the range of comparable property in the area.

Mr. Gage disagreed with the S3 classification placed on the 2nd floor warehouse. He felt that the classification was too high due to the lack of improvements to the area. Mr. Klitgaard stated that in comparing North Village (S4-) with Reagan Square (M4), the higher quality grade assigned to Reagan Square was offset by better construction of North Village.

There was further discussion regarding the valuation placed on Gulf Mart and North Village. Councilmembers Himmelblau and Lebermann felt that the valuation on the 2nd floor warehouse area in North Village was too high. Mr. Klitgaard stated that the warehouse area had the highest classification (S3) in the system for that type of property. The store portion did not have the highest classification possible. Mr. Klitgaard stated that one of the largest increases in the unit cost schedule which was updated in 1976 was in warehouse property.

Council Action

Councilmember Linn moved the Council uphold the recommendations of the Board of Equalization and the Tax Department on the Gage property. The motion, seconded by Mayor Friedman, failed to carry by the following vote:

Ayes: Councilmember Linn, Mayor Friedman, Councilmember Hofmann

Noes: Councilmembers Lebermann, Himmelblau

Absent: Councilmember Trevino, Mayor Pro Tem Snell

1. Motion

The Mayor announced that the motion had FAILED to carry. Since the motion failed to carry, the recommendations of the Board of Equalization and the Tax Department were upheld as follows:

Ownership and Description	Property	1976 Value by Board of Equalization 75%	Council Action
GAGE WESTERN	Land	\$ 473,730	\$ 473,730
INVESTMENTS, INC.	Imps.	<u>1,416,100</u>	<u>1,416,100</u>
By Leslie Gage			
(1st of 4 properties)	Total	\$1,889,830	\$1,889,830

Parcel No. 2-3707-0242
Lot B, Resub. of Tract 2,
North Village

Address of Property:
2103 Anderson Lane

Ownership and Description	Property	1976 Assessed Value of Equalization 75%	Council Action
GAGE WESTERN	Land	\$18,380	\$18,380
INVESTMENTS, INC.	Imps.	<u>0</u>	<u>0</u>
By Leslie Gage			
(2nd property)	Total	\$18,380	\$18,380

Parcel No. 2-3707-0244
Lot A, Resubdivision of
Tract 2, North Village

No appeal was made to the Board of Equalization
on this property.

Address of Property:
Anderson Lane

Ownership and Description	Property	1976 Assessed Value 75%	Council Action
GAGE WESTERN	Land	\$1,130	\$1,130
INVESTMENTS, INC.	Imps.	<u>0</u>	<u>0</u>
By Leslie Gage (3rd property)	Total	\$1,130	\$1,130

Parcel No. 2-3707-0231
South 144 feet of Lot 3,
Harmony Missionary
Baptist Church Subdivision

No appeal was made to the Board of Equalization
on this property.

Address of Property:
Off Anderson Lane

Ownership and Description	Property	1976 Assessed Value 75%	Council Action
GAGE WESTERN	Land	\$ 9,890	\$ 9,890
INVESTMENTS, INC.	Imps.	<u>6,820</u>	<u>6,820</u>
By Leslie Gage (4th property)	Total	\$16,820	\$16,820

Parcel No. 2-3707-0229
North 143 feet of Lot 3,
Harmony Missionary
Baptist Church Subdivision

No appeal was made to the Board of
Equalization on this property.

Address of Property:
Anderson Lane

The Council then heard Mr. Klitgaard's testimony on the following
tax appeals since the appellant did not appear:

Property	1975 Appraised Value 100%	1976 Appraised Value 100%	1976 Rendered Value 75%	1976 Assessed Value 75%	1976 Value by Board of Equalization 75%
Land	\$84,664	\$105,830	\$63,500	\$79,370	\$79,370
Imps.	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$84,664	\$105,830	\$63,500	\$79,370	\$79,370

Ownership and Description:

JOHN F. LANIER, JR. &
ROBERT J. HUDSPETH
By Fleur Christensen
(1st of 5 properties)

Parcel No. 9-2-6001-0904
42.332 Acres
William Bell Survey

Address of Property:
Vacant

Property	1975 Appraised Value 100%	1976 Appraised Value 100%	1976 Rendered Value 75%	1976 Assessed Value 75%	1976 Value by Board of Equalization 75%
Land	\$111,958	\$127,952	\$83,970	\$ 95,960	\$ 95,960
Imps.	<u>6,667</u>	<u>8,901</u>	<u>5,000</u>	<u>6,670</u>	<u>6,670</u>
Total	\$118,625	\$136,853	\$88,970	\$102,630	\$102,630

Ownership and Description:

JOHN F. LANIER, JR.,
TRUSTEE
By Fleur Christensen
(2nd property)

Parcel No. 9-2-0423-0328
31.988 Acres
James Burleson Survey

Address of Property:
Vacant

Property	1975 Appraised Value 100%	1976 Appraised Value 100%	1976 Rendered Value 75%	1976 Assessed Value 75%	1976 Value by Board of Equalization 75%
Land	\$68,950	\$68,950	\$51,710	\$51,710	\$51,710
Imps.	<u>1,185</u>	<u>1,546</u>	<u>890</u>	<u>1,160</u>	<u>1,160</u>
Total	\$70,135	\$70,496	\$52,600	\$52,870	\$52,870

Ownership and Description:

JOHN F. LANIER, JR.,
TRUSTEE

By Fleur Christensen
(3rd Property)

Parcel No. 9-2-0423-0314
19.7 Acres
James Burleson Survey

Address of Property:
Canyonwood Drive

Property	1975 Appraised Value 100%	1976 Appraised Value 100%	1976 Rendered Value 75%	1976 Assessed Value 75%	1976 Value by Board of Equalization 75%
Land	\$59,670	\$69,615	\$44,750	\$52,210	\$52,210
Imps.	<u>200</u>	<u>200</u>	<u>150</u>	<u>150</u>	<u>150</u>
Total	\$59,870	\$69,815	\$44,900	\$52,360	\$52,360

Ownership and Description:

JOHN F. LANIER, JR., TRUSTEE
By Fleur Christensen
(4th property)

Parcel No. 9-2-0423-0318'
19.89 Acres
James Burleson Survey

Address of Property:
Canyonwood Road

December 22, 1976

CITY OF AUSTIN, TEXAS

Property	1975 Appraised Value 100%	1976 Appraised Value 100%	1976 Rendered Value 75%	1976 Assessed Value 75%	1976 Value by Board of Equalization 75%
Land	\$12,990	\$15,155	\$9,740	\$11,370	\$11,370
Imps.	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$12,990	\$15,155	\$9,740	\$11,370	\$11,370

Ownership and Description:

JOHN F. LANIER, JR., TRUSTEE
By Fleur Christensen
(5th property)

Parcel No. 9-2-0423-0313
4.33 Acres
James Burleson Survey

Address of Property:
Vacant

Mr. Klitgaard stated that the appeals dealt basically with the land values. The appellant's main points of contention were that the property was low; some of it was in the flood plain; there were no utilities and little hope of getting them in the near future and the school bussing problem. Mr. Klitgaard stated that property lying in the flood plain carried a lower valuation. He felt that that particular value influence had been recognized in valuing the subject property.

Motion

Councilmember Lebermann moved that the Council uphold the recommendations of the Board of Equalization. The motion was seconded by Councilmember Linn.

At that point, Mayor Friedman suggested that the appeal be postponed until January 13, 1977, if the appellant called the City Clerk's Office requesting to be heard. Otherwise, Council action would be taken at that time. Councilmember Lebermann withdrew his motion.

The Council then heard the following tax appeals:

December 22, 1976

CITY OF AUSTIN, TEXAS

Property	1975 Appraised Value 100%	1976 Appraised Value 100%	1976 Rendered Value 75%	1976 Assessed Value 75%	1976 Value by Board of Equalization 75%
Land	\$ 15,000	\$ 17,500	Did Not	\$ 13,130	\$ 10,310
Imps.	<u>163,997</u>	<u>217,831</u>	Render	<u>163,370</u>	<u>163,370</u>
Total	\$178,997	\$235,331		\$176,500	\$173,680

Ownership and Description:

L. C. HOBBS
By Malcolm Robinson
(1st of 2 properties)

Parcel No. 2-4512-0213
2.5 Acres George W.
Davis Survey

Address of Property:
9603 McNeil Road

Property	1975 Appraised Value 100%	1976 Appraised Value 100%	1976 Rendered Value 75%	1976 Assessed Value 75%	1976 Value by Board of Equalization 75%
Land	\$6,000	\$8,000	Did Not	\$6,000	\$5,250
Imps.	<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>
Total	\$6,000	\$8,000		\$6,000	\$5,250

Ownership and Description:

L. C. HOBBS
By Malcolm Robinson
(2nd property)

Parcel No. 2-4707-0307
1 Acre James P. Wallace
Survey

Address of Property:
Acreage

Mr. Hobbs stated that his property was annexed about three years ago, and there were still no City services available. He thought the valuation would be fair if the services were available. The City would not grade or gravel a road in front of his property. In response to Councilmember Lebermann's question, Mr. Klitgaard stated that there was no authority to delay imposition of additional ad valorem taxes pending the extension of facilities to an area which had been annexed for some time.

In response to Councilmember Linn's question, Mr. Klitgaard stated that the lack of facilities did have an impact on the valuation of the property. Based on that value influence, the Board of Equalization had lowered the valuation on the land. Mr. Hobbs' first property abutted on a legally unacceptable right-of-way, so the City could not provide services for his property. The second property had two streets, one of which was a legal street.

Mr. Klitgaard asked if he understood Mr. Hobbs correctly, that he wanted his taxes to remain the same as the 1975 values. The Board of Equalization had lowered the valuation on the land, but had increased the valuation on the buildings. The 1975 100% valuation was \$15,000. The 1976 100% valuation set by the Board of Equalization was \$13,747. Mr. Hobbs stated that the problem was with the increase on the buildings because he could not raise the rent to compensate for the increase.

In response to Councilmember Linn's question, Mr. Klitgaard stated that the 100% valuation set by the Board of Equalization on the building was \$217,831. The Board of Equalization and the Tax Department did not feel that inability to improve the street in front of the property did not effect the value of the building, but did effect the value of the land.

At that point, Mr. Malcolm Robinson, representing Mr. Hobbs, entered the Council Chamber. He reiterated Mr. Hobbs' position regarding lack of City services after being annexed. There was some discussion as to whether or not the property was in a legal subdivision. Mr. Robinson felt that the land and buildings should be considered together. De-annexation could not be requested because property further to the north had been annexed. In response to Deputy City Manager Reed's question, Mr. Robinson stated that water and wastewater services were not available for the property. Mayor Friedman stated that he was concerned that the land value could be lowered but not the structures. He felt that if the land value could be lowered significantly, then there should be some consideration for improvements. In response to Councilmember Linn's question, Mr. Klitgaard stated that the value of the building could stand alone even without water and wastewater services.

Mr. Robinson stated that the second property's value was raised. It was annexed as "A" residential. To rezone the property, it would have been necessary to give up about 33-1/3% to 50% of the land for right-of-way. Mr. Hobbs did not request the rezoning for that reason.

Motion - Died for Lack of Second

Councilmember Linn moved that the Council uphold the recommendations of the Board of Equalization on both tracts. The motion died for lack of a second. Mayor Friedman stated that since there was no motion, the Board of Equalization was upheld.

Councilmember Lebermann stated that he felt some adjustment was appropriate on the improvements. Mayor Friedman agreed. He recommended that only a 20% increase in valuation be made.

Motion

Mayor Friedman moved that the Council increase the 1975 100% appraisal on the improvements on the first property by 20% (\$32,799) and uphold the recommendations of the Board of Equalization on the land for both properties. The motion, seconded by Councilmember Lebermann, carried by the following vote:

Ayes: Councilmembers Himmelblau, Hofmann, Lebermann, Linn, Mayor Friedman
Noes: None
Absent: Councilmember Trevino, Mayor Pro Tem Snell

Property	1975 Appraised Value 100%	1976 Value by Board of Equalization 75%	Council Action 75% Value
Land	\$ 15,000	\$ 10,310	\$ 10,310
Imps.	<u>163,997</u>	<u>163,370</u>	<u>147,600</u>
Total	\$178,997	\$173,680	\$157,910

Ownership and Description:

L. C. HOBBS
By Malcolm Robinson
(1st of 2 properties)

Parcel No. 2-4512-0213
2.5 acres George W.
Davis Survey

Address of Property:
9603 McNeil Road

Ownership and Description	Property	1976 Value by Board of Equalization 75%	Council Action
L. C. HOBBS	Land]	\$5,250	\$5,250
By Malcolm Robinson	Imps.	<u>0</u>	<u>0</u>
(2nd Property)	Total	\$5,250	\$5,250

Parcel No. 2-4707-0307
1 Acre James P. Wallace
Survey

Address of Property:
Acreage

Council Action on Holland Page Appeal

The following action was taken on the Holland Page appeal which earlier in the meeting had been postponed until January 13, 1977:

Councilmember Linn moved that the Council uphold the recommendations of the Board of Equalization as follows:

Ownership and Description	Property	1976 Value by Board of Equalization 75%	Council Action
HOLLAND PAGE (1st of 2 properties)	Land	\$ 7,930	\$ 7,930
	Imps.	<u>25,170</u>	<u>25,170</u>
	Total	*\$33,100	*\$33,100

Parcel No. 1-4204-1005
Lot 11, Block F,
Northwest Hills
Mesa Oaks Phase 4A

*Assessed value less \$7,000 Homestead
Exemption

Address of Property:
7602 Rockpoint Drive

Ownership and Description	Property	1976 Value by Board of Equalization 75%	Council Action
HOLLAND PAGE (2nd property)	Land	\$52,680	\$52,680
	Imps.	<u>23,840</u>	<u>23,840</u>
	Total	\$76,520	\$76,520

Parcel No. 2-3714-0804
3.52 Acres James P.
Wallace Survey

Address of Property:
8305 Lamar

The motion, seconded by Councilmember Lebermann, carried by the following vote:

Ayes: Councilmembers Hofmann, Lebermann, Linn, Mayor Friedman
Noes: None
Abstain: Councilmember Himmelblau
Absent: Councilmember Trevino, Mayor Pro Tem Snell


ADJOURNMENT

The Council adjourned at 5:30 p.m.

APPROVED


Mayor

ATTEST:


City Clerk